

dollars and personnel, to develop an understanding of Ameritech business rules, interface specifications, and operational procedures which ultimately results in lost dollars and opportunity for all CLECs attempting to enter the local service market on a national basis. Ameritech's focus has been on expediting its own ability to gain access to the interLATA market rather than on facilitating real local competition within its region. What you see at this critical point and what you will actually get in a real competitive operating environment are not necessarily the same. Once Ameritech gains in-region interLATA certification, it will no longer have the same incentive to resolve the problems its competitors are having in entering the local market. As a case in point, the Unbundling Service Ordering Guides and the Resale Services Ordering Guide, as referenced in the affidavits of both Mr. Rogers (paragraphs 12 and 13) and Mr. Meixner (paragraphs 8 to 14), were not provided to Sprint in any manner other than as supporting documentation in the Illinois proceeding. This information had previously been requested by Sprint, as well as other CLECs, for both the resale and unbundled processes, in an effort to gain enough understanding of Ameritech's business processes to develop effective electronic interface solutions. The timing and method of providing this information indicates that the guides were not developed to meet the needs of their CLEC customers, but in support of Ameritech's 271 applications. (See Attachment A, page 129) Time and resources could be better spent by all parties if the focus was on actually giving Michigan consumers a "real" competitive choice for the provision of their local service rather than continuing the burdensome task of re-evaluating Ameritech's OSS functionality that has not significantly changed since early January.

These same interfaces were evaluated by the Wisconsin Public Service Commission, which very quickly determined that Ameritech could not prove either the reliability of the interfaces or their parity to Ameritech's retail service. Wisconsin has developed a list of criteria that Ameritech must be able to meet/demonstrate before it can again request a hearing from that Commission on the compliance of its OSS systems with the checklist requirements, thereby avoiding the continued waste of time and resources better utilized in supporting the introduction of true local service competition. (See Attachment B, Appendix B)

#### **Requirements for Parity of Access to OSS Interfaces**

18. In order to establish parity of access, Ameritech must demonstrate that its OSS interfaces provide: (1) equivalence of information availability; (2) equivalence of information accuracy; and (3) equivalence of information timeliness. Ameritech has apparently agreed with this definition of parity since it has agreed to measure its performance for these exact parameters both in previously filed testimony, as well as in contracts with both AT&T and Sprint. Equivalent information availability means that Ameritech must deliver to the CLEC, to no lesser a degree than it does for its own operations, all data necessary to support a specific transaction. Equivalent information accuracy requires that the information exchange pass three critical tests: (1) it must comply with an agreed-upon data format and structure, documented and clearly understood by both/all parties to the transaction; (2) there must be agreed-upon business rules for interaction between the

parties; and (3) there must be demonstrated end-to-end transaction integrity, including load capacity testing. An interface that operates satisfactorily at low volume but chokes under a volume or capacity test designed to mirror an actual operational environment with potentially high market volumes, or when processing input from multiple CLEC entry points simultaneously, will place all new entrants at a distinct competitive disadvantage relative to Ameritech. Ameritech does not utilize these proposed interfaces for its own local service provisioning today and it has not yet proven its ability to provide operational parity to its competitors. (See Attachment A, page 66)

19. The systems proposed by Ameritech do not meet the parity tests of the Telecommunications Act of 1996 because they are not currently deployed for widespread CLEC use. Any use of these interfaces has been limited at best and the majority of them have been undergoing design changes throughout 1996 and the 1<sup>st</sup> quarter of 1997. All the specifications that have been provided to Sprint have dealt with total service resale and no specifications or implementation meetings have been held between Ameritech and Sprint to address the ordering and provisioning of unbundled elements.
20. Per Ameritech's affidavits and the unbundled service ordering guides it recently provided to CLECs, Ameritech plans to use the existing access service request ("ASR") format and access billing systems for ordering and provisioning of unbundled elements. These systems and processes were designed for access purposes and are not the industry's recommended solution for ordering and provisioning of local unbundled elements. While Ameritech may in fact be using these systems for interface with some CLECs/CAPs today, the processes

they support pre-date the 1996 FCC decisions and were not designed to support unbundled elements as they are currently defined. Per paragraph 9 of Mr. Rogers' affidavit, Bellcore has offered to work with Ameritech to revise its processes and documentation to support the industry's Local Service Ordering Guidelines ("LSOG") published on December 2, 1996, which are the current industry standards for local service requests ("LSR"). Ameritech must develop a timeline for implementation of these industry standards, as negotiated in our 1997 interconnection agreement, prior to Sprint's implementation of UNE-based services.

21. Furthermore, Ameritech's interfaces do not always adhere to industry standards. When systems are used for purposes other than those intended in their original design, they must be modified and/or refined to meet the new needs. Modifying and redefining systems that have previously been deployed and which are currently operational with other companies requires coordination of both the system design as well as the associated business rules. No company, including Ameritech, can arbitrarily redefine industry accepted standards without negatively impacting the users of these systems and interfaces. Contrary to Ameritech's contentions, its OSS interface solutions do not always adhere to industry standards. There are in fact numerous cases where Ameritech has essentially over-ridden industry standards and developed or imposed an Ameritech requirement or definition. Mr. Rogers' affidavit at paragraph 9, is misleading when he indicates that Bellcore mapped Ameritech's specifications to industry guidelines and confirmed that Ameritech's specifications accurately reflect industry guidelines for service ordering, billing and resale usage, trouble administration, end office integration, and unbundled loop provisioning. Ameritech's

specifications were loosely developed based on industry standards for access service, not local service. For example, Ameritech utilized the Customer Service Guidelines, Issue 5 for mapping the population of the EDI records for their Electronic Service Ordering ("ESO") Guideline, Version 3.2; although Ameritech witness Rogers references Issue 7 in his affidavit, Ameritech did not in fact vote with the CLEC community to accept Issue 7 for deployment at the most recent industry meeting.

22. If Ameritech utilized the LSOG as a basis for the development of its service ordering functionality, it has not been able to share these concepts which might have reduced the number of rejects currently being experienced by CLECs testing this application. Ameritech's AEBS bill may be based on a CABS format but is in fact a separate billing system unique to Ameritech designed to support local resale services. As stated previously, the industry standard enhancements required to make this access interface useable in the local service arena have not yet been finalized. The current standards for the ordering of unbundled elements should also be based on LSOG guidelines requiring the use of an LSR, not the ASR currently supported by Ameritech's interface. Ameritech's customized approach to systems development has complicated market entry for many of the CLECs who wish to enter the local market as national competitors.

**Ameritech's Position on Operational Interfaces Adversely Impacts Sprint's Local Market Entry**

23. Sprint requires the development and deployment of industry standard electronic interfaces for access to ILEC operational systems. The FCC requires the ILEC to provide

nondiscriminatory, automated operational support systems to enable new entrants access to pre-order, order, installation, provisioning, and repair services as well as the ability to assign numbers, monitor network stations (maintenance), and bill local service to their end user customers. (Interconnection Order, 11 FCC Rcd at 15763-68, paragraphs 516-528)

The FCC also has encouraged the development of national standards. (Interconnection Order, *Second Order on Reconsideration*, 5 Comm. Reg. (P&F) 420, 424 ¶ 13 (1996))

Ameritech provided CLECs with specifications in 1996 for several interfaces intended to provide access into Ameritech's systems and processes; however, they are not industry standard interfaces. Sprint is currently reviewing Ameritech's specifications, as well as continuing to work with other CLECs and ILECs, in an effort to support the establishment of industry standards for interfaces that can be used across the country by all ILECs and competitors for effective local market entry and data exchange. Sprint cannot support the development of customized interfaces with each ILEC, as Ameritech has attempted. The time and resources required to support this type of ILEC-specific interface would be crippling to Sprint's market entry.

24. Sprint requested and won an arbitration decision that guarantees Sprint the right, at least for an interim period, to interface with Ameritech using manual interfaces. At the time of our arbitration, we were not aware of how much of Ameritech's CLEC interfaces and internal procedures still relied on manual processes. Realizing that manual activity is both burdensome and error-prone, Ameritech must develop and implement industry standard interfaces. Sprint was surprised to learn from Ameritech's recent testimony in the

Michigan Public Service Commission's Section 271 case (See Attachment A, pp. 48-49) that Ameritech may, by state tariff, limit the availability of manual interface. Sprint is in the process of attempting to obtain this new Ameritech Michigan tariff to determine whether this tariff undermines both the Michigan arbitration decision (Attachment C) and Sprint's interconnection agreement with Ameritech. Limiting manual interfaces could adversely affect Sprint's market entry and the market entry of many other CLECs. True local competition will not exist until CLECs are able to consistently interface with ILECs in a consistent and nondiscriminatory manner.

#### **MFN Issue**

25. For the first time, Ameritech has acknowledged that CLECs have an independent right through Section 252(i) to obtain provisions from another approved interconnection agreement. (Brief at page 16 and 17) In fact, in his affidavit (at page 12, paragraph 22), Mr. Mickens states that: "As additional or different [interconnection] benchmarks are established . . . they will become available to . . . any other interconnecting carriers through the MFN clauses in their agreements." However, as demonstrated in Sprint's arbitration, Ameritech has not previously subscribed to this view. The Michigan Arbitration Panel concluded that "Sprint's proposed [MFN] language should not be incorporated into the contract, but that both parties should be left free to pursue their respective positions concerning more favorable terms reached by other parties with Ameritech, should that occur." See Attachment C, pages 20-23 of the December 16, 1996

Decision of the Arbitration Panel in Michigan PSC Case No. U-11203. This decision was based on the Michigan PSC's Order in the AT&T arbitration with Ameritech. In that arbitration, AT&T argued for a broad MFN provision and Ameritech asserted that "AT&T must adopt the terms and conditions of an entire interconnection, service, or network element arrangement in another agreement as a package." In the alternative, Ameritech argued that the Commission could adopt neither party's language and allow them to pursue their differing interpretations of Section 252(i). The Michigan PSC held as follows: "The Commission is persuaded that Ameritech Michigan's alternative resolution of this issue is appropriate and should be adopted. The proper interpretation of Section 252(i) of the FTA is a major issue that does not need to be addressed at this time." See Attachment D, pages 12-13 of the Michigan PSC November 26, 1996 Order in Case Nos. 11151 and 11152. Mr. Edwards' affidavit at paragraphs 14 through 17 deals with MFN clauses which were included in the interconnection agreements of Brooks Fiber, MFS, and TCG. As previously indicated, the Michigan PSC denied both AT&T's and Sprint's requests for an MFN provision in their respective interconnection agreements. However, Ameritech's Brief in support of this Application, page 16 and 17, states that "a carrier may assert its MFN rights by sending Ameritech a letter specifying the rates, terms and conditions relating to an interconnection arrangement, unbundled elements or combination, or resale service in another carrier's approved agreement that the requesting carrier is adding to its agreement." In Ameritech Michigan's Submission of Additional Information, Case No. U-11104, before the Michigan Public Service



Commission, Ameritech made the following statement: "However, even apart from the MFN clause, Ameritech Michigan believes that a CLEC has an independent right under Section 252(i) of the federal Act to obtain item-by-item provisions from another approved agreement. Therefore, even AT&T, which has no MFN clause in its interconnection agreement with Ameritech Michigan, could obtain terms and conditions from another approved agreement." Ameritech has never communicated their willingness to support this provision to Sprint directly. We only became aware of their new position on this issue through review of their 271 application. If in fact Ameritech intends to honor this commitment, Sprint will avail itself of this opportunity when and if necessary.

### **Summary**

26. The mere fact that Ameritech has provided specifications for electronic interfaces does not guarantee that they actually work or that they will in fact provide parity in performance to Ameritech's internal systems. Timely access to customer information, service establishment, and trouble resolution will determine the ultimate success or failure of any competitor. Especially in a resale mode, the quality of the product that Sprint will be able to offer its end user customers is directly dependent on the quality of Ameritech's services. Actual implementation of operational interfaces between Sprint and Ameritech will be a complex and detailed procedure. Until Ameritech's proposed operational interfaces have been implemented and are actually working in practice, Sprint will not know whether they

meet Sprint's requirements or, for that matter, the requirements of the Act and the FCC.

This concern is further validated by the testimony and documented test results of other CLECs actually using these OSS interfaces in Michigan. (Transcript of OSS Hearings, MPSC #U-11104 (May 28, 1997))

27. Until Ameritech's proposed operational interfaces have been implemented and are actually working in practice, it is impossible for Sprint to determine whether Ameritech is providing performance parity or meeting the requirements of the Telecommunications Act of 1996. ILECs such as Ameritech currently have all the systems and support processes in place necessary to offer interLATA service and will be able to do so from the date they receive in-region certification. There are multiple vendors ready and willing to provide the ILECs interLATA transport services at competitive rates. Unlike CLECs, the ILECs will not suffer the repercussions and delays involved in attempting to enter a monopoly market controlled by a single vendor. Supporting Ameritech's efforts to gain in-region certification before competition truly exists in the Michigan local market defeats the ultimate purpose of deregulation and may prevent the purpose of the 1996 Telecommunications Act from being fully realized.

*Betty L. Reeves*

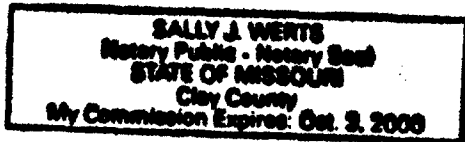
Betty L. Reeves

Subscribed and sworn to before me this 10th day of June 1997.

My Commission Expires:

*Sally J. Werts*

Notary Public in and for said  
County and State



## ATTACHMENT A

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter, on the Commission's  
own motion, to consider Ameritech  
Michigan's compliance with the  
competitive checklist in Section 271  
of the Telecommunications Act of 1996

Case No. U-11104

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Proceedings had in the above-entitled  
matter before Theodora M. Mace, J.D., Administrative Law  
Judge, at the Michigan Public Service Commission, 6545  
Mercantile Way, Lansing, Michigan on Wednesday, May 28,  
1997.

PRESENT:

JOHN G. STRAND, Chairman  
JOHN C. SHEA, Commissioner  
DAVID SVANDA, Commissioner

ALSO PRESENT:

Ann Schneidewind  
William Celio

Members of the Communications Division,  
Michigan Public Service Commission Staff

APPEARANCES:

CRAIG ANDERSON, J.D.  
JOHN M. DEMPSEY, J.D.  
Room 1750  
444 Michigan Avenue, Room 1750  
Detroit, Michigan 48226  
and  
MICHAEL KARSON, J.D.

Appearing on behalf of Ameritech Michigan

1 January to April, what is the chart showing regionwide?

2 MR. MICKENS: In terms of volume?

3 CHAIRMAN STRAND: Yes.

4 MR. MICKENS: Yes. In fact, if anything,  
5 steeper, and we have a chart on that later on.

6 MS. SCHNEIDEWIND: Mr. Mickens, are you  
7 familiar with a tariff proposal that was made by Ameritech  
8 Michigan to withdraw all manual interfaces, I believe it  
9 was by the end of the year, and if so, is that still  
10 Ameritech's proposal?

11 MR. MICKENS: I have heard of it. I am  
12 not familiar with it firsthand. As the operations guy  
13 involved in this, I would like it, I'd have to admit,  
14 because maintaining the manual processes as the volume  
15 grows is very difficult to do and very expensive. But  
16 I've not really been involved in it.

17 MS. SCHNEIDEWIND: But from a CLEC's point  
18 of view, especially a new CLEC, didn't you say earlier  
19 that they only reach a point volumewise where certain  
20 interfaces would become economically viable for them?

21 MR. MICKENS: Yes. It is again because we  
22 offer a manual process in everything that we do. Despite  
23 the fact that I think all the pricing is based upon the  
24 electronic processes, we do offer the manual processes,  
25 and in that situation it costs us more to process the

1 orders and work the orders, and I understand why that  
2 proposal would have been made, but like I said, I've not  
3 been involved firsthand in it. I've been on the  
4 operations side.

5 MR. CELIO: Is there someone that can do  
6 that? Because I can give you a little refreshment. We've  
7 got the tariff, it's in place, it's in your books, or if  
8 it's not, it's on the way to being in your books, where  
9 you limit the number of manual transactions to like 50 a  
10 day or 250 a week or a month up until the end of the year,  
11 then they all have to be electronic. What happens at the  
12 end of the year if these folks don't have electronic  
13 interfaces?

14 MR. ANDERSON: Mr. Celio, we'll check on  
15 that. I think the tariff addresses as to each carrier a  
16 12-month period. I don't believe it's in here, but I will  
17 check on that at the break and get an answer for you.

18 MR. MICKENS: You asked about the volume.  
19 We've had sharp increases in volume.

20 When we started off on this project and  
21 entering this marketplace, we were really doing a lot of  
22 training and presentations and hand-holding with  
23 customers. As the volume has grown and as we have picked  
24 up more customers, we have now put in place more  
25 documentation.

1 had some questions during the time.

2 Anyway, go ahead.

3 MR. MICKENS: So anyway, 10 seconds was  
4 the number that we felt we realistically would meet most  
5 of the time, but also we would miss some of the time and  
6 did not adversely affect our customer and their ability to  
7 serve the retail customer.

8 MS. SCHNEIDEWIND: But how can I use that  
9 kind of a standard to determine whether or not you've met  
10 the parity requirements that the Federal Communications  
11 Commission has required you meet?

12 MR. MICKENS: By definition these OSS  
13 interfaces are something that the Ameritech retail units  
14 don't use. If you take a look at the difference between  
15 the time involved, I think it's seconds in the sense that  
16 the typical Ameritech retail representative is going to  
17 get this type of activity in three or four seconds, the  
18 CLEC is going to take eight to 12 seconds, so, you know,  
19 we've got about five seconds, less than 10 seconds'  
20 difference, and the CLEC has the benefit of -- I think Mr.  
21 Rogers indicated that there were something like 72  
22 different interfaces or screens that the Ameritech retail  
23 representatives had to work through. The CLECs have  
24 seven. So there's a tradeoff, and what they have is a lot  
25 easier from a training perspective and a use perspective



1 important for the Commission to consider both the  
2 transmission of the data as well as processing once it  
3 receives the data at Ameritech. That downstream  
4 processing is not, as Ameritech has suggested, entirely  
5 internal to Ameritech and of no concern to CLECs. The DOJ  
6 makes it very clear it's of great concern. And I think  
7 the performance data that we present here today will  
8 explain why that downstream processing affects our  
9 ability, AT&T and MCI and LCI's ability to service their  
10 customers.

11 I'll now turn the floor over to Ms. Bryant  
12 to give you some background on the OSS interfaces that  
13 AT&T has developed and our plans as we move through this  
14 year in our continuing development and implementation  
15 activities.

16 MS. SUSAN BRYANT: Thanks, Joan.

17 I want to start for just a second and kind  
18 of give just four points on some history, because you kind  
19 of have to start there to understand the development of  
20 our systems, I believe.

21 When we first started on this venture it  
22 really related to the Customer First hearing in the  
23 Ameritech states, and we were interfacing with Ameritech  
24 to discuss our operational interfaces based on a trial  
25 that was at the time being proposed for the Grand Rapids

1 area, as well as the Chicago area.

2 In those negotiations which transpired in  
3 1995, several issues of this transaction type nature were  
4 discussed, and the EDI interface was actually started in  
5 our discussions at that time.

6 In '96, as we all know, the Telecom Act  
7 was passed. In February of '96 we officially sent a  
8 letter asking to sit down and negotiate under the Act with  
9 Ameritech but, recognizing that a number of work  
10 activities had already transpired, we asked them to put  
11 together an implementation team to continue to work on  
12 those operational interfaces and the things that needed to  
13 be resolved in order for us to actually get into the  
14 market. At the time our marketing plans were to try and  
15 get into the market towards the third quarter of '96.

16 They agreed to do that. And we  
17 established those meetings in April of '96. In order to  
18 meet our market entry dates, we were coming up on some  
19 relatively critical systems development requirement dates.  
20 And you have to really understand what you need in order  
21 to develop our internal systems. And at that point in  
22 time the ruling that came in August had not necessarily  
23 been official. So we utilized as much as we could from  
24 the data that we gained in those interactive sessions, and  
25 we had to make some business decisions somewhere towards

1 the middle of that year.

2 Many of those actually drove us to narrow  
3 the scope of our product offering when we actually were  
4 going to go into the market. At that point in time, in  
5 order to gain market entry timelines in the September time  
6 frame, we would have at least had to have started testing  
7 our system somewhere in the August time frame.

8 So simultaneous to the work going on with  
9 the FCC we were actually having to close on developmental  
10 requirements for our internal systems. We did work  
11 through that as closely as we could, did make some  
12 decisions towards the middle of that year to actually go  
13 into the market with what we would call POTS, plain old  
14 telephone service, nothing really complicated, basically  
15 dial tone with some vertical features. Obviously that's  
16 really more conducive to the consumer residential market,  
17 as well as some of the smaller end business markets, and  
18 that was essentially decided on towards that mid-July,  
19 June/July time frame.

20 We proceeded with our testing plans, and  
21 as we continued to negotiate with Ameritech the  
22 interfaces, we were putting into place some of our test  
23 scenarios.

24 To kind of give you a sense of the  
25 interfaces that we actually have in fact in play,

1       preordering is manual for us right now, and we are using a  
2       manual process to handle the telephone number assignments,  
3       the due dates when we have work that needs to be done, and  
4       in fact requests for the CSRs, the customer service  
5       records.

6                   Ordering at this point is via the EDI  
7       Issue 5, which at the time was in fact what we had to  
8       develop to. Right now the transactions that we are  
9       processing are the migration transactions you heard about  
10      earlier, new service transactions, additional line  
11      transactions, changes, although those are limited in terms  
12      of the volumes that we're sending right now, and then  
13      disconnect transactions. Those are the kinds of  
14      transactions that we are in fact currently sending.

15                   We are not yet sending deny or restore  
16      transactions, complex business services such as PBX,  
17      Centrex, DID orders. They are not being transmitted at  
18      this point from AT&T, nor are we sending complex directory  
19      listing transactions. And right now there is manual  
20      ordering transactions you heard about earlier that we are  
21      utilizing, and those are the jeopardy transactions where  
22      in fact one of the -- if the due date is in jeopardy, they  
23      are manually calling us to let us know that.

24                   COMMISSIONER SVANDA: Are your manual  
25      operations your choice?

1 MS. BRYANT: The preordering manual  
2 operations actually were negotiated prior to the August  
3 decisions or the final ruling. I think our preference  
4 would be to actually go towards an electronic interface.  
5 We have been negotiating what interface we should use for  
6 that period of time, and actually have agreed to meet the  
7 EAP interface transaction. So we should be able to  
8 mechanize that by the September time frame.

9 Repair and maintenance is manual, and I  
10 would say that is our decision right now, again based on  
11 what our interface option was at the time.

12 Repair and maintenance, as I said, is  
13 manual. Billing was EMR up until a month ago when we  
14 changed the transaction to more of an EMI format.

15 I might note that actually was not an  
16 announced change ahead of time. We found that out when  
17 they actually got the bill to us. That's right now the  
18 format that they're using, the EMI.

19 Testing, time frame from the test, we  
20 started our service readiness test in the September time  
21 frame for the communications connection, in October for  
22 the actual orders to be sent. Service readiness tests are  
23 orders that we send based on the types of transactions  
24 that we know we have got to support in the marketplace,  
25 but they are assigned to our employees. We had a group of

1 employees that volunteered for us, but they did not choose  
2 what they ordered. We had to basically assign for them  
3 what it was that they were going to order.

4 That test was predominantly on Illinois  
5 accounts. The SRT for Michigan was in February. So that  
6 same type of a test transpired in Michigan in February of  
7 this year.

8 Market readiness testing is again to our  
9 internal employees, but at this point we're actually going  
10 into some telemarketing efforts. We were making phone  
11 calls to them as we would to the normal customers, and we  
12 were asking them to pick the offer that they wanted, and  
13 we were asking them to make the decisions that is not a  
14 contrived scenario. We felt as though that was a little  
15 bit more indicative of what the marketplace would bear in  
16 terms of the types of transactions that we would actually  
17 be sending.

18 That MRT or market readiness test, for  
19 both Michigan and Illinois, started in February of this  
20 year. Then we did go into a limited marketing or  
21 controlled marketing effort as you heard earlier in March  
22 of this year in Michigan. That's the background for you.

23 MS. MARSH: With that background, unless  
24 there's any questions about the OSS that AT&T is actually  
25 using, we'll move immediately to the performance data.

1                   Based on comments Ms. Bryant gave, it's  
2                   obvious that most of our experience is with the ordering  
3                   interface on resale, and the performance data that we have  
4                   reflects our experiences for the -- we tried to capture  
5                   the last seven weeks. We tried to make it as current as  
6                   possible so it indicates what successes we're having right  
7                   now and what problems we're continuing to have. I think  
8                   you can categorize the most serious problems that we are  
9                   continuing to have right now into four broad categories.

10                   No. 1, we are, as we ramp in Michigan and  
11                   in Illinois, and as our volumes increase in number, we are  
12                   experiencing backlog problems and problems with orders  
13                   that are pending past the Ameritech committed due date, to  
14                   be distinguished from the due date requested by the CLECs.

15                   As Mr. Celio pointed out earlier, we  
16                   request a due date based on the standard interval; we  
17                   don't get the due date. But nonetheless, orders are  
18                   pending past the commitment Ameritech has provided us. As  
19                   our volumes go up, that problem is increasing with it.

20                   MR. CELIO: Joan, before you get too far  
21                   along, AT&T in Michigan is only serving residential  
22                   customers, right?

23                   MS. MARSH: Correct.

24                   MR. CELIO: And you're only doing that on  
25                   a resale basis, correct?

1 MS. MARSH: Correct.

2 Second, we have significant concerns which  
3 both Mr. Connolly will address from a technical standpoint  
4 and Ms. Bryant will address from a marketing entry  
5 standpoint, with the level of manual intervention that  
6 Ameritech continues to rely on in processing the orders  
7 once they are received electronically and sent into their  
8 downstream systems.

9 The level is at an unacceptably high rate  
10 right now, and it is in fact contributing to some of the  
11 delays that we are seeing, and we will discuss our  
12 experiences with what's causing that and how that directly  
13 links to the delays that we're seeing.

14 Third, there has been some billing issues  
15 on both a wholesale side, the AT&T's wholesale bill has  
16 been out of balance, and more importantly as it relates to  
17 AT&T's customers, there have been billing errors which  
18 relate to customers that have been migrated to AT&T. We  
19 are billing them properly, but Ameritech has continued to  
20 bill them despite the fact that they have migrated them  
21 over to AT&T.

22 And that is attributed to a disconnect in  
23 two of the downstream systems at Ameritech, a problem that  
24 they are investigating and resolving, but nonetheless at  
25 last count approximately 400 customers were affected by



1       this problem.

2                   That's 400 AT&T customers who are getting  
3       billed twice for the same service.

4                   And finally we have some experiences we'd  
5       like to share as it relates to Ameritech's response time  
6       and the procedure that we go through with Ameritech in an  
7       effort to get our concerns addressed and resolved. We  
8       think this is absolutely critical because the primary  
9       incentive Ameritech has right now to listen to our  
10      concerns and address them is their desire to be entered  
11      into the long-distance business.

12                   Those incentives will change if they are  
13      allowed in, and then it's unclear to us if these problems  
14      will be addressed and resolved in a timely fashion.

15                   I'll now ask Mr. Connolly to present some  
16      of the initial performance data. It can be found behind  
17      Tab 2 of your binder, starting with the presentation of  
18      the charts on the problems that we're having with backlogs  
19      and with pending orders that are not being completed in a  
20      timely fashion.

21                   MR. CELIO: Are you saying you have 400  
22      people, 400 accounts being double-billed out of the 17,000  
23      or out of how many?

24                   MS. MARSH: The 400 count is based on a  
25      regional assessment of all the AT&T customers to date. We